United Nations A/72/298/Add.1

General Assembly

Distr.: General
25 August 2017

Original: English

Seventy-second session
Item 143 of the provisional agenda*
Joint Inspection Unit

Donor-led assessments of the United Nations system organizations

Note by the Secretary-General

Addendum

The Secretary-General has the honour to transmit to the members of the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Donor-led assessments of the United Nations system organizations" (see A/72/298).

* A/72/150.

17-14796 (E) 290817

Please recycle

Summary

The report of the Joint Inspection Unit entitled "Donor-led assessments of the United Nations system organizations" (see A/72/298) reviews the approaches, arrangements and practices used to conduct donor-led assessments of organizations of the United Nations system in order to identify areas of common challenges and concerns.

The present note reflects the views of organizations of the United Nations system on the recommendations provided in the report. The views have been consolidated on the basis of inputs provided by member organizations of the United Nations System Chief Executives Board for Coordination, which welcomed the report and supported some of its conclusions.

I. Introduction

1. The report of the Joint Inspection Unit entitled "Donor-led assessments of the United Nations system organizations" (see A/72/298) reviews the approaches, arrangements and practices used to conduct donor-led assessments of organizations in the United Nations system in order to identify areas of common challenges and concerns.

II. General comments

2. Organizations of the United Nations system welcome the report of the Joint Inspection Unit on donor-led assessments, which presents a useful overview of the various approaches, arrangements and practices and identifies areas of common challenges and concerns with regard to this important oversight mechanism.

3. Organizations appreciate the examination in the report of how both donors and organizations can benefit from adopting a more consultative approach when conducting donor assessments, and agree in general with the conclusion that such an approach can contribute substantially to organizational learning, reform and improvement. As such, they generally support the calls for more robust collaboration between organizations and donors when planning and conducting the assessments, underscoring the need for strategic dialogue between donors and organizations.

4. Organizations also express appreciation for the recognition in the report of the considerable resources that organizations dedicate to donor assessments, noting that the transaction costs associated with those assessments may divert substantial resources from their core activities. They note that a more detailed cost-benefit analysis would be useful in that regard, but also appreciate that the report explores the potential to standardize and streamline the donor review process in such a manner as to provide donors with the information that they need, while reducing the administrative burden and costs for organizations. Support was expressed for such standardization, either through the Multilateral Organization Performance Assessment Network or another platform, and organizations note that there may be value in further developing the Network as a common tool to cover key organizational performance areas, such as strategic management, operational management, relationship management, knowledge management and development effectiveness. In that vein, they express a desire for the Network to offer more insights on the good practices taken from the assessments.

5. Organizations appreciate the inclusion in the report of the concern that donors do not always transparently disseminate the criteria, methodology or indicators that underpin their assessments, and emphasize the importance of sharing them with not only the secretariats of the organizations being assessed, but also the governing bodies.

6. Concerning the methodology of the report, some organizations note that, since not all organizations retain detailed figures regarding all aspects of donor-led assessments, the tables included in the report should be viewed as indicative only, especially when comparing across United Nations system entities.

7. With regard to the Multilateral Organization Performance Assessment Network, organizations find noteworthy the observation in paragraph 82 that "senior officials of member countries interviewed were unanimous that [the Network] could never substitute entirely for donor assessments", and one organization suggested a threshold of funds that, when given by a donor, may trigger the need for an

assessment, thereby reducing the frequency of assessments and the associated costs and logistics, at least until a common consolidated assessment mechanisms is agreed upon. In the interim, in countries where several donors may want to carry out assessments, it would be worthwhile to encourage them to conduct joint assessments, which would offer benefits to all parties in terms of time and money.

8. While organizations appreciate the value and importance of the report, they also note several areas in which further analysis and improvement would provide benefits. For example, the report does not delve into the impact of donor-led demands on the governance of an organization, in particular on the role of its evaluation and audit functions as it relates to the demands of its governing body. For many organizations, the governing bodies expect the evaluation and audit functions to provide feedback on such areas as strategic plan outcomes and opinions on governance, risk management and control frameworks that are based on organizational activities and established on an organization-wide perspective. As a consequence of the lack of articulation between governing body requirements and donor-driven (i.e. project or programme) demands, and given the single audit principle, some organizations would have welcomed guidance on how they can concurrently provide two different types of oversight, at the organization level for the governing body and at the project or programme level for the donors. Organizations suggest that the report of the Joint Inspection Unit should initiate a dialogue within organizations and, possibly, with governing bodies on the evolving role of evaluation and audit functions in the changing funding context.

III. Comments on specific recommendations

Recommendation 1

The legislative/governing bodies of the United Nations system organizations should encourage better access to, dissemination of and exchange of information concerning donor assessments among the Member States and should, in this context, call upon the executive heads to make such assessments publicly available by uploading them in an online global repository to be established by the Secretary-General of the United Nations for that purpose not later than 2018.

9. Organizations support the recommendation and agree with a movement towards greater accountability and transparency, noting that the recommendation is directed at legislative bodies. In that regard, they also support increased transparency for Member States through the publication of information on the areas that are most commonly assessed, the methodology and criteria that are followed and the reporting requirements. However, organizations question the additional value in developing a global repository. Not all donor assessments are public, and the Joint Inspection Unit should rather call upon donors to make their reports publicly accessible and for organizations to make them available on their corporate websites.

10. While expressing support for the disclosure of assessments, organizations note that the suggestion by the Joint Inspection Unit that public disclosure may reduce the volume of donor reviews may not hold true and that the public disclosure of donor review reports could have a snowball effect whereby new reviews and verifications will refer to and build on past issues. For example, the public disclosure of internal audit reports has not resulted in a decrease in donor reviews and assessments and, in some cases, donor inquiries have increased in the form of requests for updates on the actions recommended in the reports. The observation in the report that reviews of the Multilateral Organization Performance Assessment

Network serve as a resource for but not a replacement of donor reviews provides further evidence that calls the assumption into question.

11. Furthermore, organizations observe that, as noted in the report, the public disclosure of reviews may be risky if the methodology used is not transparent and the organization reviewed does not participate in the assessment process. Prior to implementing recommendation 1, donors may wish to ensure minimum quality standards for assessments and reviews and develop standardized procedures to verify the accuracy of reports prior to their release. In addition, as a practical matter, the decision to publish donor reviews currently rests with the donors that conducted the assessments and Governments may be reluctant to make reviews available to the general public. It is thus not the responsibility of the participating organizations' governing bodies to implement the recommendation because in each case the specific donor that conducted the review would also need to approve its publication. Some organizations therefore suggested that it might be more appropriate for donors to join efforts and make their assessments available, rather than depend on the legislative bodies of the organizations of the United Nations system and their secretariats to perform that function.

Recommendation 2

Member States that are members of the Multilateral Organization Performance Assessment Network (MOPAN) should initiate an evaluation of MOPAN 3.0 methodology to assess its rigour and utility in providing the expected levels of information and determine its effectiveness in reducing the need for additional individual donor assessments.

12. Organizations express reserved support for recommendation 2 and suggest that, as MOPAN 3.0 is still being rolled out, an evaluation of it may be premature. As a practical matter, it was noted that the assignment of the recommendation to the legislative bodies of individual organizations appears misdirected, since they do not directly decide issues concerning the Network. Legislative bodies may put forward a view on the issue but are not in a position to implement the recommended action. It was also noted that, while a comprehensive review of MOPAN 3.0 methodology might reduce the burden of multiple and overlapping reviews, the decision to rely on the Network's review findings ultimately rests with donors. Beyond an evaluation of MOPAN 3.0, one organization notes the benefits of establishing a multi-stakeholder assessment platform that considers the needs of all Member States, with a robust framework and methodology set by the legislative bodies in order to capture a collective reflection of an agency's effectiveness and reduce the need for additional bilateral assessments.

Recommendation 3

The executive heads of the United Nations system organizations should designate, on the basis of the volume and variety of donor reviews, an appropriate central function in their respective organizations for coordinating the multiplicity of donor assessments, managing the information provided to donors, standardizing communications, ensuring consistency and tracking the follow-up action on findings and recommendations by the responsible organizational units.

13. Although organizations support recommendation 3, it was noted that tracking recommendations is different to implementing them and that, in some organizations, the responsibility for implementing actions and achieving results is spread across many operational units. In such instances, a central unit can be the custodian of the

recommendations but cannot be responsible for ensuring the successful implementation thereof, even with expanded capacity.

Recommendation 4

The executive heads of the United Nations system organizations should engage with donors to determine the key elements in their assessments and should encourage their audit and evaluation bodies, with due regard for their independence, to consider taking these elements into account in their risk assessments and work plans, in order to avoid potential duplication and overlap.

14. Organizations generally support recommendation 4, recognizing its pragmatic spirit, and note that, in the absence of a coherent framework governing donor reviews, there could be value in aligning the work plans of oversight bodies with donor assurance requirements. However, several concerns were raised. With the current focus on lean, cost-efficient and effective oversight solutions, together with the call for increasing reporting transparency and the aim of providing assurance on outcomes, results and impact, the ability of oversight functions to make those adaptations may be limited. In addition, oversight functions may not be able to accommodate the inputs received from donors and a focus on all or some donor conditions may divert oversight functions away from key risks and issues for the organization, especially without commensurate funding from the donors involved. It is critical, therefore, for organizations to ensure that the specific interests of donors are balanced with the interests of programme countries and other partners in line with the 2030 Agenda for Sustainable Development, the quadrennial comprehensive policy review of operational activities for development of the United Nations system and the Agenda for Humanity. Lastly, it was also pointed out that existing governance structures already provide opportunities for engagement and consultation with donors and programme countries to ensure appropriate consideration of their interests and priorities.

Recommendation 5

The legislative/governing bodies of the United Nations system organizations should request the executive heads to identify and provide adequate resources and support to the internal audit and evaluation offices of their respective organizations to enable them to provide the required levels of assurance that would help minimize duplication and overlap with external reviews, verifications and assessments conducted by third parties.

15. Organizations support the call for legislative bodies to identify and provide adequate resources and support to internal audit and evaluation offices. Some organizations consider that those offices are adequately resourced to discharge their functions effectively, notwithstanding the zero real growth budgets that many organizations already endure. However, it was noted that any reduction in resources would likely have an impact on the institutional capacity for quality assurance, monitoring, accountability and oversight. It was also noted that the report would have benefited from a clearer demonstration of the link between the funding of internal oversight functions and the reduction of external reviews.

Recommendation 6

The executive heads of the United Nations system organizations and the Secretary-General, in the context of the United Nations System Chief Executives Board for Coordination, should develop a common position for initiating a high-level dialogue with donors to determine shared priorities and

define a multi-stakeholder assessment platform with a robust framework and methodology to capture a collective reflection of an agency's performance and reduce the need for additional bilateral assessments.

16. Organizations support recommendation 6, agreeing that the lack of a coherent regulatory framework governing donor reviews is a fundamental issue that could benefit from the development of a platform for dialogue to identify shared priorities. However, organizations note that such engagements with donors are usually agency-specific and a useful tool for supporting ongoing dialogue between the agency and its donors. While a United Nations-wide approach would be generally welcome, it should allow space for agency-specific assessments and dialogue. Furthermore, it should avoid the standardization of donor assessments to the most exacting and demanding requirements, without regard to cost-benefit considerations. In addition, a universal assessment risks undermining the ongoing dialogue by encouraging donors to perform verifications without regard to the high administrative cost for the United Nations system. Lastly, organizations note that the current forums in which strategic dialogue among donors is already taking place, other than the Multilateral Organization Performance Assessment Network, include the Utstein group and the Geneva Group.